

SALES NOT AUCTIONS ARE PUBLIC SERVICE

Leading Salesman Declares They Enable Many to Become Home Owners.

By JOSEPH P. DAY.

TO BECOME really big and stay big any institution or business must fulfill a great want, meet a great public need. If an enterprise does not measure up to this standard of service it will be short-lived. I believe that it can be stated fairly that the auction sale method of marketing real estate flourishes because it supplies a great service to the general public and is a vital contribution to civic advancement.

And what precisely is the great service that an auction sale renders?

I think this can best be answered by examining into the conditions that now obtain in sections where I have conducted auction sales, and setting them up against the situation prior to the auction sales.

Let us look into the state of affairs which now exist in the Throgs Neck section of The Bronx, where I have held six huge auction sales of vacant property in the last two years.

Almost all the land east of Eastern Boulevard, on and near Fort Schuyler road and extending to Long Island Sound and the East River, before these auction sales was composed of the residential estates of old families.

These auction sales changed the situation from an ownership by the few to an ownership by the many. And what has this change of proprietorship brought about?

More than a thousand homes have sprung up on what was the park like pleasure grounds of the estate owners. Because of this big home development the lots have increased, in many cases three and four times the value as represented on the day of purchase. Population created this increased value.

The estate owner couldn't increase values by holding on to his land. A few purchasers would never have completed it. It took an immense buying at auction sales and improvement of the same sort to start a boom in this region of The Bronx.

The growth back of auction sales is the home development kind, with its encouragement of thrift and a knowledge of the responsibility of citizenship. This, I maintain, is not the result of the destructive forces accomplished by a lot auction sale.

And what about the estate owner? Where does he come in with all this land increasing in value only after he sells it?

The estate owner gets ready money for property that no longer serves the purpose which he most desired. It should be remembered that in an isolated place far from suburbs and city life.

The city stretching out, hence at its gateway and the rear of the subway breaks in on his solitude. The auction sale provides the estate owner with the quickest and most profitable means of disposing of his land.

With the money realized he can buy out a little further in the undeveloped districts, regain isolation and provide material for future homesites and auction sales when the city's ever widening circle extends its diameter. Even if he doesn't choose this course, as a man of affairs, he invariably invests his money and in this way keeps the wheels of commerce and industry turning and thus contributes to the prosperity of all.

In the place of unproductive land the auction sale has substituted the joy and satisfaction of homes and a land owning population.

The auction sale has helped many people to become a real part of the great city of New York by actually owning a portion of it. Stores and business buildings have arrived behind the home development, and what was beautiful but undeveloped land, is now an enterprising, bustling section of New York city.

So it is my contention that the lot auction sale affords a means of bringing the big land owner and the home seeker and lot investor together to the eminently mutual advantage of all.

I submit that this is an important service, which, together with the fact that a land owner can't sell his land, substantial, responsible contribution to civic advancement, places the lot auction sale in the category of great public institutions.

BROKER BECOMES AUTHOR.

J. Clydesdale Cushman Writes on Building Management.

The day of the building with the hand elevator has passed, at least in New York. So also has the idea of one man management of the great skyscrapers of the metropolis. Keeping pace with the development of the skyscraper, the scientific management of business buildings has become an established vocation in itself—a highly specialized profession.

To explain in some degree how economically, effectively and thoroughly and profitably the agents of these big structures can operate the buildings for their owners, J. Clydesdale Cushman of Cushman & Wakefield has written a booklet on "Management," a treatise showing how modern business buildings are operated.

NEW BOOKKEEPING PLAN.

Author Aims to Standardize Real Estate Accounting.

George Hyde, 166 Fifth avenue, has perfected a new system of standardized real estate bookkeeping which enables owners, operators, agents, etc., to keep in one book a complete set of accounts for each apartment house or building with the names of the tenants, the rentals of each apartment and a summary of expenses. In this way a monthly budget is readily prepared.

"Many owners," says Mr. Hyde, "can't tell at a glance of their books whether their buildings are paying. This is an age of mass buying and the owner who would place fifteen different orders for coal with as many dealers is inefficient to a great degree. The same thing applies to keeping one set of books for all properties. It often leads to wrong conclusions as to profits and losses."

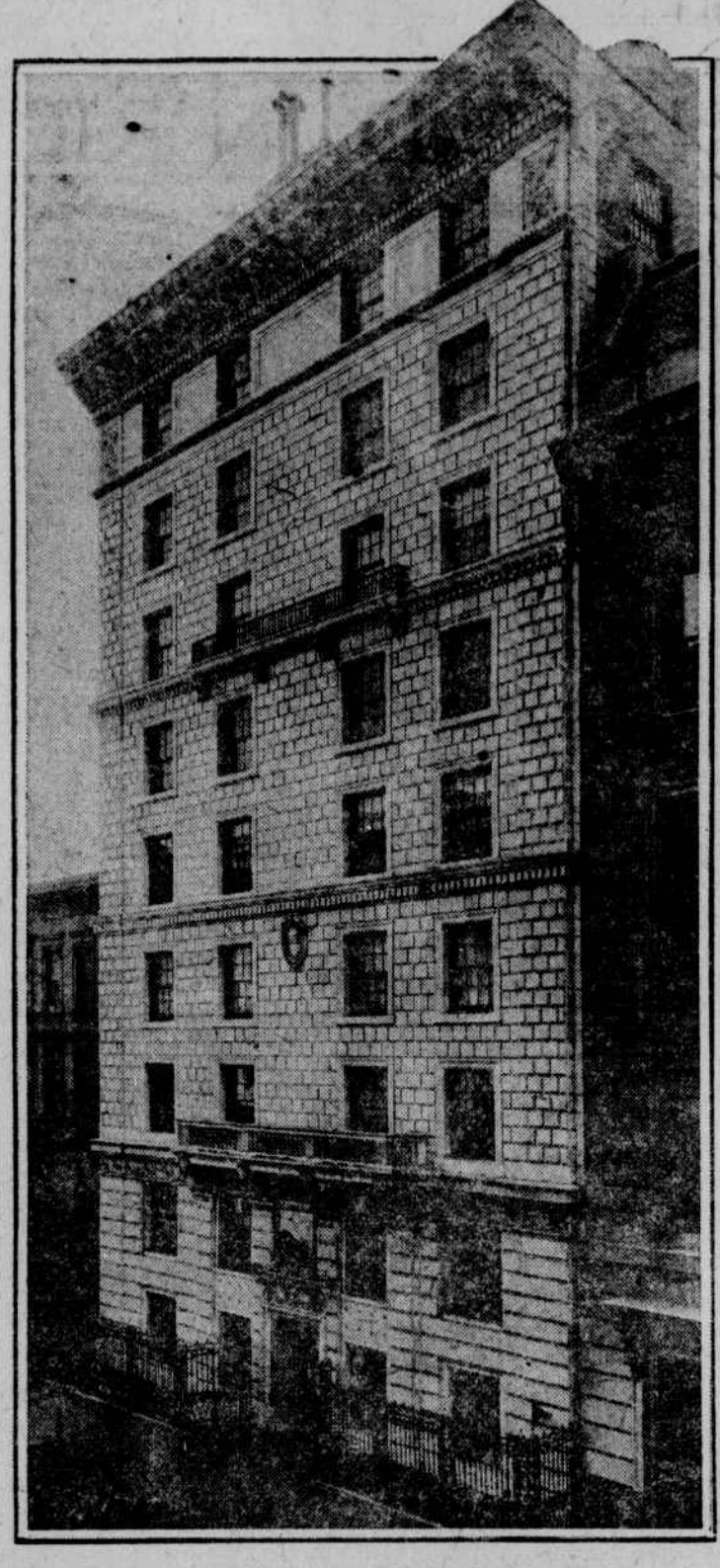
BUYS FINE MONTCLAIR PLACE.

Lackawanna Railroad Official Acquires Harding Estate.

E. E. Rine, vice-president and general manager of the Lackawanna Railroad, has purchased the estate of Mrs. R. M. Harding in Brookwood, Montclair, N. J., through F. M. Crawley & Brothers. The residence contains fourteen rooms and four baths. The plot fronts 120 feet on Stonebridge Road and has a depth of 400 feet. The property was held at \$100,000.

McCann Agency, Inc., sold at New Rochelle for Herbert Guthrie his residence, West Coast Place, held at \$15,000, to George M. Wallace for Grace Enghiser at \$12,000, to Leonard Joseph of this city; for Harry E. Osgood, residence in Sutton Manor, held at \$10,000, to Adam Klittinger, and for Elisabeth Campbell a residence in Fort Heights to George Alexander of this city.

PICTORIAL NEWS OF THE REAL ESTATE FIELD



The nine-story apartments, 116 East Fifty-eighth street, under the management of Douglas L. Elliman & Co., Inc.



Ground for the new 100-per cent. joint ownership buildings which are being erected by the Joint Ownership Construction Company, Inc., Frederic Culyer, president, on the east side of Lexington avenue, between Sixty-ninth and Seventieth streets, has been broken. Rouse & Goldstone are the architects and Hegeman-Harris Company, Inc., the builders. These buildings are more than 90 per cent. sold from the plans. Among the purchasers are Julius Kruttschnitt, Cecil F. Shallick, Philip B. Jennings and Douglas Gibbons.



Plandone residence, purchased by John I. Mange from Francis D. Jackson through Thomas O'Connell

Business Batters Against Restrictions on 72d Street

UP on West Seventy-second street a silent warfare is going on between the invasion of business and the efforts of the residential classes to keep the street as it has always been up to about twelve years ago, a thoroughfare of distinctive New York homes. The battle has in a large measure been lost by those who have striven to maintain its residential character. Already business of a varied type has invaded the block between Columbus avenue and Broadway, and now a bitter fight is being waged to lift the restrictions against business in the block between Broadway and West End avenue. Expert observers who have been watching the effects of the invasion of business in the block between Columbus avenue and Broadway predict that within a year the bars will be lowered and trade will begin to pour in a westward direction toward Riverside Drive.

Once the restrictions are lifted from the block between Broadway and West End avenue, where the fight is now centering, it is believed that it will be but a question of time before trade will be reigning between Columbus avenue and Riverside Drive. The marked change that has come over West Seventy-second street in the last decade, where old brownstone four story and basement residences have given way to drug stores, dressmaking establishments, restaurants, oculists shops and even automobile salesrooms, would lead one to believe that the thoroughfare will eventually rival Fifty-seventh or even Forty-second street as the domain of trade. It should be borne in mind, however, that Seventy-second street does not extend from river to river. Central Park forces its way as a barrier through the street, thus giving it but a brief opportunity to rival its downtown exemplars.

Seventy-second street between the park and the river is a street of the most promising business thoroughfare north of Fifty-seventh street.

Movement Is Northward. For several years the apartment hotel district has been extending northward from the Times Square and Grand Central districts. The automobile trade has been pulling up Broadway at a rapid rate and now the theater district has crept beyond its confines below Fifty-ninth street and is on the northward march toward Eighty-sixth street.

Apartment hotels are rising like mushrooms in the neighborhood of Broadway and Seventy-second street and that part of Seventy-second street between Broadway and Columbus avenue stretches between the express subway station at Broadway and the Ninth avenue "L" station. These are two important stations from the transit point of view and together with the vast increase in population west of Central Park and north of Fifty-ninth street they are compelling a local shopping center of an exclusive type which new building operations, S. W. Straus & Co. now largely given over to the automobile trade, cannot supply.

In this connection of demand and supply of business space the investors that are fighting the opening up of Seventy-second street to business west of Broadway base their claim that there is no real reason for doing away with what residential space there is in this neighborhood because, as Victor M. Earle of Earle & Calhoun, brokers, points out, there is more store space on Broadway and Amsterdam avenue than can be

rented and there is an increasing demand for residences in the very section which the business interests wish to have opened to trade.

Want Restrictions Removed. According to Mr. Earle the persons who want to see the block between Broadway and West End avenue taken from the restricted zone are those who have leased residences there and who wish to add to their revenue by letting part of the lower floors for stores. This element has formed more or less of a solid organization and through their attorneys are putting a stiff fight against the proposed change. They declare that the zone law as applied to the upper West Side was a benefit, but unless it is enforced it becomes a mere joke. They say that if Seventy-second street is to be opened for business then Seventy-third and Seventy-fourth streets may as well be treated the same. Not long ago an effort was made to open West Ninety-fifth street to business.

West Seventy-second street is rapidly becoming a center for real estate firms, especially on the block between Columbus avenue and Broadway. Speaking of the changes that have occurred there during the last twelve years, J. B. Phillips of L. J. Phillips & Co., says: "As the automobile trade creeps up Broadway toward Seventy-second street the street is tending toward a retail shopping center. The south side of the street has kept its character of the north side, but that side seems now to be gradually catching up with the south side. There is at present a minimum value of \$4,000 a front foot on the south side. B. E. Smathers owns a large portion on the south side, holding 140, 144, and 146 and 156 West Seventy-second street.

Florists Made First Break. Ten years ago florists' shops were the first to break into the solid rows of residences. Then came restaurants and real estate offices. The former are being gradually weeded out. It is very likely that the automobile trade will take its stand on either side of the street before long. If restrictions are lifted from the block between Broadway and West End avenue and between Central Park West and Columbus avenue values will rise rapidly."

A representative of Pease & Elliman predicted that the restrictions west of Broadway, at least as far as West End avenue, will be lifted within a year. "We specialize in selling properties in this neighborhood," said a representative of the firm. "There is a tendency to hold back on selling. Owners appear to be waiting for the advent of more business and consequently higher values. On the north side of the street, for instance, a four story and basement dwelling on a lot 20x100, is held at \$70,000. Another property at 125 West Seventy-second street has been converted into a clinic and is occupied by physicians. It is held at \$175,000. Another property on a lot 21x100 has been converted into an elevator building with offices. It is held at \$180,000 and rents for about \$38,750. Some of the owners still live in their properties. The Merrill family for instance, members of the firm of Ackers, Merrill & Condit, own the property at 129 and 131 and it is held at \$75,000 a front foot. Henry Spadone owns and still occupies the building at No. 141."

The handsome new marble front twelve story apartment house at 164-166 on the south side is owned by the Philip Webber group. The five story 20 foot structure just to the east is partially occupied by the firm of Slawson & Hobbs.

REALTY LICENSE LAW IS UPHELD

Supreme Court Affirms Validity of Brokers' Enactment in Tennessee.

The action of the United States Supreme Court when it upheld the validity of the brokers' license law in the State of Tennessee was the most noteworthy legal decision directly affecting the business of real estate ever rendered by that judicial body, according to the Real Estate Board of New York. By that decision the power of the several States to regulate the real estate business by law is affirmed as a proper exercise of police power under the Constitution, and the Tennessee law is declared to be valid in all its provisions. In a statement issued regarding the importance of the decision, the New York Board says: "The National Association of Real Estate Boards has been vitally interested in this case and through its general counsel, Nathan William MacChesney, prepared the briefs and arguments which were presented to the court. Officers of the association are elated with the outcome of the case and are now assured that as far as the courts are concerned at least the priority and desirability of regulating the real estate business for the benefit of the public has been forever determined.

The Tennessee real estate license law was adopted in 1921 and was based upon the model license law prepared by the National Association in 1913. Some months ago, in a case known as R. W. Bratton vs. William Chandler, the United States District Court of the Western District of Tennessee held that this law was unconstitutional as being in violation of the Fourteenth Amendment of the Constitution of the United States and certain clauses of the constitution of Tennessee, and an injunction was issued restraining the enforcement of the law.

Real Estate Commission from enforcing it. Aside from the general questions involved, the court held the law to be unconstitutional on the ground that it might be deprived of its lawful rights to engage in business without "due notice and hearing."

"Many owners," says Mr. Hyde, "can't tell at a glance of their books whether their buildings are paying. This is an age of mass buying and the owner who would place fifteen different orders for coal with as many dealers is inefficient to a great degree. The same thing applies to keeping one set of books for all properties. It often leads to wrong conclusions as to profits and losses."

TO AUCTION WEST SIDE LOT.

The five story lot and the frame house at 54 Eighth street and 39-41 West Twenty-eighth street will be sold at auction on December 8, by Joseph P. Day in the Vesey Street Exchange by order of John F. Couch, referee in a partition proceeding.

Optimism Is Keynote of Lending Market Outlook

By HAROLD W. WATSON.

Manager Mortgage Department Duroso Company.

CONSERVATIVE first mortgage loans on improved real estate invariably have proved the most satisfactory form of investment, and during the construction and reconstruction period of the last four or five years money has been in great demand at rates varying from 8 per cent. and more. In some States 8 per cent. was considered reasonable.

There is every indication that 6 per cent., which has held for several years in this city, has more or less settled down to a 5 1/2 per cent. basis in Manhattan, and good sized conservative loans have been placed on Bronx property at that rate. Although there was a recent flurry of 5 per cent. for Manhattan mortgages, it cannot be taken as an indication of cheaper money available in quantity at the present time, as the few loans made were based on a low percentage of value.

In Queens millions of dollars have been absorbed in the construction of new one and two family dwellings and apartment houses. It is noteworthy that the Metropolitan Life Insurance Company has been the prime factor in providing large amounts of capital for reasonable costs for those purposes, thereby assuring homes for thousands of families. It was stated recently that the priority and desirability of regulating the real estate business for the benefit of the public has been forever determined.

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AUCTIONEER TO OFFER LOTS IN WEST BRONX

J. C. Davies Will Conduct Sale December 12.

Eighty-one lots on 150th and 177th streets, Tremont, Grand and Davidson avenues and fifteen lots on Aqueduct Avenue, between 129th and 134th streets, are to be sold at auction for the estate of the late Julius Lowenthal and others on December 12 in the Vesey Street Exchange by J. Clarence Davies.

The lots are on high rolling ground especially adapted for building sites. The immediate section is well developed with private dwellings and the surrounding section is rapidly being developed with apartment houses.

The section is no further from the heart of the city than is Washington Heights. It is reached by means of the Jerome avenue extension of the Lexington avenue subway to 150th street. Lots in the Washington Heights section are selling at from two to three times the prices that are being asked for lots in the west Bronx district.

TENEMENT HOUSE SALES. A. Q. Orza sold the tenement at 92-94 Perry street for the Rovigno & Vialotti Realty Company, Inc. to an investor; also for Julia M. Carmine, 24 Carmine street, a four story tenement.

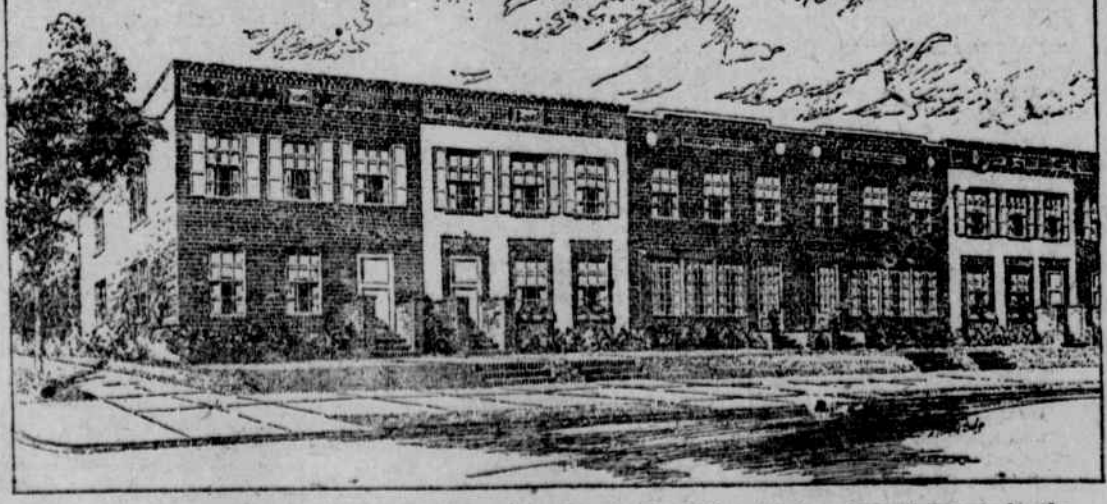
CHICAGO HOME FOR S. W. STRAUS & CO.

Investment Bankers Plan Fine Structure at Michigan and Jackson Boulevards.

In line with their advice to the building interests of the country that the present is a favorable time to go ahead with new building operations, S. W. Straus & Co. yesterday closed negotiations in this city for the erection of a monumental banking building for their organization in Chicago. The investment in the land and building will involve approximately \$12,000,000, of which \$7,000,000 will represent the cost of the new structure.

The new Straus Building will be the first to be erected in Chicago under the new zoning law, modeled somewhat after the New York zoning regulations, and the enterprise is therefore of special interest here. It will be twenty-two stories high and will occupy the site of the Stratford Hotel, 161-171, at Michigan and Jackson boulevards. This plot of ground was purchased from the Levi

New Housing Project for Astoria



Typical row of eight room single dwellings to be erected in the East River Park section of Astoria by the Potter Avenue Realty Company.

THE Potter Avenue Realty Company, which has erected 200 one family houses and nearly 100 two family houses in the East River Park section of Astoria, on land purchased from the Rickett-Brown Realty Company, announces that it has taken over 243 more lots on Chaucery, Barclay, Goodrich and Merchant streets and Van Alst Avenue in the same development, on which it will erect one family eight room brick houses. The company also has taken over 127 lots on Dittmar Avenue, on which it has begun the construction of 102 two family houses containing eleven rooms. It has acquired also ten lots on Potter Avenue, between Merchant and Goodrich streets, on which it will build two story stone and apartment buildings.

The Potter Avenue Realty Company, of which David W. Keen and Henry B. Salzman are managing directors, announced last week that it had adopted a new selling plan, whereby a purchaser with \$100 can pick out a home or a lot

where the home is to be and by weekly or monthly installments acquire title to the property when the payments amount to \$1,000. A year and a half will be allowed, if necessary, in which to deposit the required amount.

Messrs. Keen and Salzman also announce that they have decided on another plan of financing. Instead of asking every buyer to pay his semi-annual amortization on his mortgage or pay water and insurance charges, they will charge \$40 a month for the eight room single family houses and a savings bank or trust company will be selected to act as trustee so that when payments are due for amortization of mortgages or other expenses these trustees will disburse the money into the proper channels.

By that plan the home buyer is assured that when the time comes to pay the various charges (the money is on hand) also, they say, there will be an accumulation of interest and money remaining from disbursements from year to year which will be applied every four

or five years to liquidate the first mortgage. The developers point out that the \$70 per month not only pays the installments on the mortgage but also leaves a year's Keen and Salzman, according to the Rickett-Brown Realty Company, have taken over this year 655 lots in the Arleigh and Norwood sections of Astoria for a total consideration of \$1,037,000, and on which 621 houses and stores have been built or are in course of construction.

The builders have found that many families require more room than a six room house affords. They have planned, therefore, to put up a large number of eight room houses. Most of them will be built between the original Rickett-Brown Realty Company development on Dittmar Avenue and the viaduct of the Hell Gate Bridge. The other houses will be built on the remaining unopened land of the Rickett-Brown Realty Company, close to East River Park, a forty acre recreation center which the city is beginning to develop.

AUCTIONEER TURNS POPULATION TIDE

Attracting Buyers to Section Lacking Transit Facilities Brings Car Lines.

By ALBERT GOLDMAN.

President Bronx Board of Trade. In city planning transit usually precedes population, and although transit locates population it is population and population alone, that creates values. One of the most interesting phases of the real estate market is the manner in which Joseph P. Day as an auctioneer, has succeeded in reversing the city planning rule by attracting population to sections that, in a measure, lack 100 per cent. rapid transit facilities, the result of which is to compel the introduction of better rapid transit by creating the demand for it.

That was especially the case in the recent Lorillard Spencer estate sale in the Pelham Bay Park and Long Island Sound sections, where I look forward to a very large amount of home building before the expiration of the tax exemption law in April, and the complete ultimate development of all that part of the Bronx known generally as the Pelham Bay Park district.

That building activity which is under way is altogether a natural extension of the Pelham Bay Park, Pelham Boulevard and Throgs Neck building movements that have completely transformed the sections I have named, all of which are more or less distant from the Westchester Avenue subway.

One result of this influx of new population has been the double tracking of the East Tremont Avenue trolley line, which runs between Westchester square and Eastern Boulevard. That improvement means that the Tremont Avenue line soon will be in operation through from University Avenue to the Eastern Boulevard intersection at Westchester Avenue, and that a similar extension of the East 177th street line is to be expected.

The new centers of building along Gun Hill road are the Columbia Oval and Eastchester sections, both of which have been opened recently by the Columbia Oval, the Eastchester Syndicate and the Eastchester and the Burke Foundation lot sales held by Mr. Day. Those sales were followed by home building and the home builders deserve the best transit facilities that the city can give them.

Another most promising section of the Bronx, where I expect to see big apartment building activity in the near future, is the Arco-Astor district, between Westchester Avenue and Clason Point on the east and the Van Nest section on the west.

Clason Point, between both sides of Sound View Avenue between Westchester Avenue and the East River, is developing most rapidly and near the waterfront. The Clason Point, Clason Point Military Academy and Lafayette Avenue, with the Elms Beach and Killian Beach camping and bungalows section is the scene of building activity.

Just south of Clason Point and the Astor section are the Bronx River and Hunts Point. The underbuilt and overpopulated Hunts Point district has had a marvelous growth since the days of George F. Johnson, Henry Morgenthau, Robert E. Simon, James R. Meighan and others, who were active in the years before Joseph P. Day began auctioneering the Hunts Point estates. The building movement of to-day is greatest in the neighborhood of Coester street.